



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

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May 6, 2008

Don Hornstein  
Co-Chair, Licensing Labor Code Advisory Committee  
5089 Van Hecke-Wettach Hall, CB#3380

✓ Derek Lochbaum  
Co-Chair, Licensing labor Code Advisory Committee  
020 Lenoir Hall, CB#1600

Dear Don and Derek:

I want to thank you for co-chairing Licensing Labor Code Advisory Committee this year and for your excellent leadership. You conducted last week's meeting in a masterful way, allowing all points of view to be heard in a discussion that was orderly and respectful.

Having listened carefully to the committee's deliberations on Friday, I am providing this charge to the committee for academic year 2008-09:

1. I believe that everyone is dissatisfied with the rate and degree of progress with regard to compliance with the UNC labor code. We are all justifiably proud of the role that UNC has played in setting a high standard for labor standards world wide. I think we all realize the complexity of the issue – a global supply chain and the fact that collegiate licensed produces are but a small fraction of this global industry.

That said, I heard a consensus emerge from the committee that UNC should put both the FLA and the WRC on notice that we expect more. We are disappointed in the apparent inability of these two organizations to work together, and we implore them to do so. In the ideal world, these two organizations could complement one another – one having entre to industry as well as academe and fair labor groups, the other consisting of students, universities, and representatives of organized labor.

As a corollary to this portion of the charge, I ask the committee to consider whether it is, indeed, wise and prudent for UNC to maintain memberships in both organizations if they cannot find a way to work together or provide effective results. By this, I mean that we could consider resigning from one or both of these organizations.

2. Similarly, I am disappointed that we seem to be no closer than we are to a system for evaluating and summarizing the state of compliance. I realize that this is a complex issue. I do not take a low level of complaints to mean that we have achieved widespread compliance. Likewise, neither do complaints, even when documented about problems at a few specific factories, themselves indicate that we have widespread, general non-compliance. While I cannot expect the LLCAC, acting alone for UNC, to invent a system for evaluation, I think it would be reasonable for the LLCAC to advocate for something beyond the status quo.
3. In the coming year, I hope that the committee will analyze all policy options that may be available to UNC. As you know, I continue to have serious reservations about the Designated Supplier Program, at least in its present configuration. Indeed, in private conversations with the leaders of some of the universities that have signed on to the DSP in previous years, I find the same reservations and concerns.

Notwithstanding my own reservations, however, I think continued analysis is in order. I am particularly intrigued with the idea of a more limited in-house fair trade offering through the student stores. (I think someone described this as "DSP-light".) It might be useful to try this as a kind of beta-test to see how well fair-trade products would, in fact, sell on our own campus. I want to be clear that I have not changed my own position with regard to our being a part of the DSP working group or adopting the DSP in principle. However, I think the committee's own analysis of the range of policy options will be helpful to the next chancellor in forming his or her own position on this matter.

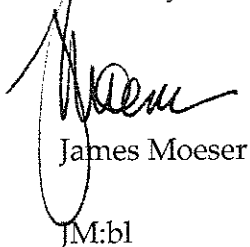
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Finally, let me remind you of the process I established a year ago in appointing new members of LLCAC to replace those whose terms expire. For faculty appointments, I shall consult with the chair of the faculty and the chairs of the faculty advisory committee and the faculty athletics committee. For student appointments (two undergraduate and one graduate), I shall consult with the president of the student body and the president of the graduate and professional student federation. Based on the comments of several members of the committee that having a lawyer on the committee was most useful, I intend to add an *ex officio* representative of the Office of Legal Counsel to the committee next year.

Again, I want to thank you and the entire committee for your service and your support of UNC's commitment to fair labor practices.

Sincerely,



James Moeser

JM:bl

cc: Joseph Templeton, Chair of the Faculty  
Ronald Strauss, Chair, Advisory Committee  
Lissa Broome, Chair, Faculty Athletics Committee  
J. J. Raynor, President of the Student Body  
Cindi Spurlock, President, Graduate and Professional Student Federation  
Members of LLCAC  
Leslie Strohm, Vice Chancellor and General Counsel  
Richard Mann, Vice Chancellor for Finance and Administration

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